

AFRICAN BANK GROUP'S HALF-YEAR PROFIT INCREASES BY 145%

AFRICAN BANK GROUP'S net profit after tax for the half-year ending 31 March 2022, has increased by 145% to R372 million.

The results are due in part to strong growth in credit sales, a higher take up in MyWORLD transactional accounts, and a return to the bank's "audacious" heritage, as evidenced by the bank's new brand repositioning.

The results were presented in Johannesburg this morning (Tuesday, May 24, 2022) by CEO Kennedy G Bungane and are a clear indication that the Bank is on track in executing its Excelerate25 strategy.

Driving profitability, were:

- A strong move to retail lending sales
- Inaugural corporate lending
- Stable operating costs and increased business activity
- Increased income from transactional banking
- Lower impairment charges
- A focused and dedicated effort by all African Bank colleagues.

Bungane said African Bank's balance sheet continues to be strong and the bank was well capitalised. Liquidity levels remain robust, with access to diversified funding sources.

Bungane says, "Looking at these results through the lens of our five sustainability levers of customer satisfaction, social responsibility, financial resilience, inclusivity, and environmental protection, we are emboldened by the fact that African Bank is well poised to become the bank for the people, by the people and serving the people."

Key aspects of the ABH consolidated results for H1 22, in comparison to H1 21, include the following:

- Net profit after tax: R372 million (H1 21: R152 million).
- Credit impairment charge: R658 million (H1 21: R850 million).
- Net customer advances balances: R19 628 million (H1 21: R16 698 million).
- Cash deposits and financial investments, including surplus liquid assets: R4 812 million (H1 21: R7 984 million).
- Retail customer deposits, including transactional banking balances: R10 957 million (H1 21: R8 622 million); and
- Total Group capital adequacy ratio: 45.8% (H1 21: 43.6%).

Looking ahead, Bungane says that these half year results give credence to the aspiration of building a customer-centric, digital and data-enabled business that is diversified, has scale, and is sustainable.

Bungane says African Bank will continue to build on its customer development journey. In the 2021 SA Customer Satisfaction Index, announced in March 2022, the organisation took an overall leadership position in six of nine measured categories.

Furthermore, Bungane spoke at length about the journey that African Bank has embarked upon to build a fully-fledged middle-of-the-pyramid business banking offering, which is in the final stages of development.

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